

AMENDATORY SECTION:

WAC 230-40-805 Progressive jackpot prizes -- Procedures -- Restrictions -- House-banking. Licensees are authorized to operate progressive jackpot prizes in conjunction with approved house-banked card games. Entry into a progressive jackpot is based upon a separate wager by a player, part of which accrues to a progressively increasing prize. A player wins the jackpot prize, or portion thereof, based upon achieving a predetermined pattern or combination of cards. Each licensee operating such games shall ensure they are closely controlled, all the funds collected are accounted for, and prizes and methods of winning are adequately disclosed to players. The following procedures and restrictions apply to progressive jackpots:

Restrictions.

- (1) House-banked progressive jackpot restrictions:
 - (a) The amount of funds accrued to the primary and reserve or secondary jackpots shall increase by a predetermined amount of each wager made, in accordance with the rules of the game;
 - (b) The amount of the progressive jackpot eligible to be awarded as a prize shall be prominently displayed at each gaming table;
 - (c) The beginning amount of each progressive jackpot offered must be recorded, including explanations for any increase or decrease in the amount of the prize offered. This documentation shall be maintained with the progressive jackpot records; and
 - (d) A licensee may establish a maximum limitation on a progressive jackpot prize. If such a limit is established:
 - (i) The amount must be equal to or greater than the amount of the jackpot when the limit is imposed; and
 - (ii) A notice of the limit must be conspicuously posted at or near the game;

Adjusting jackpot amounts and prize payouts.

- (2) A licensee shall not reduce the amount of a progressive jackpot prize, that has been accrued and displayed to players except as authorized by this section. The following adjustments are allowed to accrued progressive jackpot prizes:
 - (a) Jackpot prizes of five thousand dollars or less shall be paid out immediately. For prizes over five thousand dollars, a minimum of five thousand dollars must be paid immediately and the remaining balance paid, by check, within twenty-four hours: Provided, That a check shall be issued for the entire prize balance within twenty-four hours, at the player's request. The jackpot and advertised amount shall be reduced only by the amount won;
 - (b) An adjustment may be made to correct malfunctioning equipment or to prevent the display of an amount greater than a predetermined maximum prize limit; or
 - (c) A reserve or secondary jackpot may be reduced as long as the funds removed are recorded as gross receipts and are properly documented in the records. A reserve or secondary jackpot may also be reduced to recover seed money that was not taken from gross receipts, provided that those funds are properly documented in the records;

Removing all or portion of a jackpot from play.

(3) House-banked progressive jackpot prizes, which are advertised or displayed in any manner are deemed to be funds for which players have a vested interest and may only be removed from play under the following conditions:

Disbursement.

(a) The director or the director's designee provides the licensee written approval of a plan to disburse all jackpot funds back to the players. The request for approval shall include full details of the distribution plan and shall be conspicuously posted at least ten days prior to distribution. Licensees shall disburse the funds utilizing one or more of the following methods:

- (i) By offering the prize on a different house-banked game;
- (ii) Offering the prize through means of an approved tournament. All funds must be distributed within sixty days from the date of approval by commission staff; or
- (iii) Donating the money to the Washington state council on problem gambling; and

Discontinued jackpot-player notification.

(b) The licensee must notify players of any planned discontinuance, including closure of the business, by conspicuously posting notice for a period of ten days prior to beginning the discontinuance process;

Awarding merchandise prizes with jackpot funds.

(c) Licensees may reduce the jackpot only by the dollar amount ~~((of))~~ paid for the ~~((use a portion of these funds to purchase))~~ merchandise to be awarded as prizes under the following conditions:

- (i) The licensee discloses to the public that a specific portion of these jackpot funds were used to purchase merchandise to be awarded as prizes, as well as the specific prize to be awarded;
- (ii) The merchandise is awarded as a prize on the specific outcome of a game and is included in the game rules;
- (iii) The merchandise prizes shall be owned by the licensee and paid for in full, without lien or interest of others, prior to the prize being awarded: Provided, That when the winner has an option to receive a cash prize in lieu of such merchandise, a licensee may enter into a contract to immediately purchase a merchandise prize after the winner chooses their option;
- (iv) The licensee must disclose the value of the merchandise to be awarded. This value must be true and verifiable; and
- (v) Detailed records, including purchase invoice, are maintained on premises and available for review by commission staff;

Temporarily removing a jackpot from play.

(4) A licensee may temporarily remove a progressive jackpot game from play subject to the following conditions:

- (a) The removal and reasons must be approved in writing by commission staff; and
- (b) The disruption is caused by circumstances beyond the control of the licensee, or for other good cause (for example: Remodeling the card room); and
- (c) Players are notified of the disruption and the estimated date of continuance.

[Statutory Authority: RCW [9.46.070](#), 01-13-091 (Order 403), § 230-40-805, filed 6/19/01, effective 7/20/01; 00-09-052 (Order 383), § 230-40-805, filed 4/14/00, effective 5/15/00.]